



Foreign Agricultural Service

**GAIN Report**

Global Agriculture Information Network

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GAIN Report #MY0007

## Malaysia

### Oilseeds and Products

### Oilseeds and Products Update (January) 2000

**2000**

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#### Report Highlights:

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Kuala Lumpur [MY1], MY

**SUMMARY:****Production**

The Malaysian Palm Oil Registration and Licensing Authority (PORLA) reported that total crude palm oil (CPO) production dropped 8.4 percent from the month of November to 906 TMT in December. Output in the Peninsula decreased by 8.1 percent while East Malaysia's production declined by 9 percent. Compared to December 1998, output during December 1999 was 46 percent higher. CY 1999's total CPO production reached 10.6 MMT, a hefty 27 percent jump from the previous year. A seasonal downtrend in production is expected during the current quarter and we forecast Jan-Mar output at 2.1 TMT. Agatt Office also revised 1999/2000 (Oct/Sep) CPO output to 10.5 MMT.

**Price**

Weaker overseas demand resulted in a further drop in CPO prices during the month of January. The average CPO price declined 3 percent from RM1,196/MT (US\$315/MT) in December to RM1,160/MT (US\$305/MT) in January. For comparison, the average CPO price for January, 1999 was RM2,197/MT (US\$578/MT). RBD Palm Oil FOB average price also decreased from US\$331/MT to US\$325/MT.

**Stocks**

A drop in CPO production and higher exports influenced a decline in the stock level at the end of December. The seasonal downtrend during the Jan-Mar quarter should further erode the stock level to around 900 TMT at the end of March.

**Trade**

Preliminary official December exports rose to 860 TMT compared to 790 TMT in November.

**ANNUAL SITUATION (OCT/SEP):**

Following the higher-than-earlier expected CPO production in the Oct-Dec quarter, Agatt Office has revised CPO production for 1999/2000 to 10.5 MMT. Better yield per matured hectare is the contributing factor towards the sustained growth in CPO output. Most of the increase would be exported with some used domestically and some ending up in the stock level.

	Revised 1997/98	Prelim 1998/99	Forecast 1999/2000
(1,000 tons)			
Beg Stock	907	719	1208
Production	8,508	9,758	10,500
Imports	91	142	100
Total Supply	9,506	10,619	11,808
Exports	7,421	7,952	8,900
Domestic Use	1,366	1,459	1,608
Ending Stock	719	1,208	1,300

**QUARTERLY OUTLOOK FOR PALM OIL:**

	1998 1/	1999 2/	1998 1/	1999 2/
	Oct-Dec	Oct-Dec	Jan-Mar	Jan-Mar
(1,000 MT )				
Beg Stocks 3/	719	1208	825	1176
Prod- East Mal	608	938	473	670
- Pen. Mal	1541	2005	1298	1430
- Total	2149	2943	1771	2100
Imports	4	22	18	15
Total Supply	2872	4173	2614	3291
Exports 4/	1794	2520	1561	2000
Dom Disap 5/	253	477	325	341
End Stocks	825	1176	728	950

1/ Revised;

2/ Forecast;

3/ Stocks including crude and refined for all Malaysia;

4/ Exports exclude shipments of fatty acid oil distillate  
and all intra-Malaysia trade;

5/ residual.

**PRODUCTION:**

	1998	1998	1999	1999
	Dec	Jan-Dec	Dec	Jan-Dec
(In 1,000 MT)				
CPO:				
Pen. Malaysia	448	5995	616	7428
East Malaysia	172	2320	290	3125
- Total 1/	620	8315	906	10553
Palm Kernel : Malaysia	177	2428	267	3026
Palm Kernel Oil: Malaysia	94	1111	125	1337
Palm Kernel Meal: Malaysia	114	1344	153	1623

1/ Totals may not add due to rounding differences.  
Includes some revisions in previous months.

**PRICES:**

(Crude delivered basis; RBD Oils in Bulk, FOB Malaysia)

	Local Crude	RBD Palm Oil	RBD Olein	RBD Stearin
	RM/MT	US\$/MT	US\$/MT	US\$/MT
Feb 99	1921	539	581	402
Mar	1668	463	500	365
Apr	1692	470	501	375
May	1553	446	486	341
June	1277	354	399	245
July	1103	311	361	195
Aug	1143	375	372	241
Sep	1318	365	419	266
Oct	1260	347	378	272
Nov	1201	332	360	267
Dec 1/	1196	331	363	260
Jan (till 27th)	1160	325	346	250

1/ revised

Exchange Rate (Jan. 30 1999): US\$1.00 = RM3.799

**STOCKS:**

	1998	1999	1999	1999
	Dec	Oct	Nov	Dec
(In 1,000 MT)				
Crude P. Oil	373	688	759	718
Processed PO	452	546	494	458
- Total PO	825	1234	1253	1176
Palm Kernel	52	99	107	93
P. Kernel Oil	121	113	127	129